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FM AMEMBASSY MADRID
TO RUEHC/SECSTATE WASHDC PRIORITY 5568
INFO RUEHLI/AMEMBASSY LISBON 1727
RUEHLO/AMEMBASSY LONDON 1063
RUEHFR/AMEMBASSY PARIS 1513
RUEHRO/AMEMBASSY ROME 2415
RUEHLA/AMCONSUL BARCELONA 3648
RUEHBS/USEU BRUSSELS
RUCPDOC/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L MADRID 001194

SIPDIS

STATE FOR EEB/TPA/IPE AND EUR/WE
STATE PASS USTR DWEINER
USDOC FOR IP ENF COORD WAYNE PAUGH AND FOR 4250/DCALVERT
USDOC ALSO FOR USPTO: MSHAPIRO

E.O. 12958: DECL: 11/11/2018

TAGS: [ECPs](#) [ETRD](#) [KIPR](#) [SP](#)
SUBJECT: AMBASSADOR DISCUSSES IPR WITH INDUSTRY MINISTER
SEBASTIAN

REF: MADRID 1150

Classified By: AMBASSADOR EDUARDO AGUIRRE FOR REASONS 1.4 (B, D).

¶1. (C) Summary: In a November 6 meeting, Ambassador discussed the battle against intellectual property piracy with Minister of Industry, Tourism, and Trade Miguel Sebastian. The Minister and an aide painted an upbeat picture of the progress being made in talks between Internet Service Providers and rights-holders and predicted an agreement by the end of this year. They also cited GOS public education initiatives and efforts to combat street piracy. Ambassador urged Sebastian to get more personally involved in developing solutions to Spain's piracy problem, as the USG needs to see concrete progress if Spain is to be removed from the Special 301 Watch List in 2009. End Summary.

¶2. (C) Ambassador met November 6 with Miguel Sebastian, Minister of Industry, Tourism, and Trade, to discuss various economic issues. Ambassador expressed our continuing concern over a lack of adequate IPR protection, especially with respect to internet piracy. Per reftel, the GOS is urging Internet Service Providers (ISPs) to negotiate an agreement with the Anti-Piracy Coalition of rights-holders on a &graduated response8 regime to discourage peer-to-peer (P2P) downloads of copyrighted material. The government has deferred action on proposing legislative remedies to combat piracy pending the outcome of these negotiations, because it wants to be sure of private-sector support (from both the telecommunications sector and the copyright-dependent community) for any legislative or regulatory initiatives, given that these are likely to be controversial.

¶3. (C) Minister Sebastian and his sectoral analysis advisor, Jorge Blazquez, stated that the ISP association, Redtel, and the Coalition have made substantial progress towards a negotiated solution. They expressed optimism that the parties will reach agreement by year's end. Ambassador noted that we have been hearing that significant obstacles remain, and urged the Minister to involve himself personally in finding and implementing solutions to internet piracy. He stressed that we want to see Spain succeed in its efforts and to be removed from the Special 301 Watch List, but need to see concrete measures and results.

¶4. (C) Sebastian noted that the government will soon undertake a crackdown on street piracy, going after the &mantas8 or individuals who sell contraband and pirated or counterfeit merchandise on sidewalks and in informal street

markets, concealed under blankets. He also mentioned the anti-piracy public awareness campaign to be launched in late November by the Ministry of Culture (reftel). Ambassador suggested that, if Spain has a good story to tell on its success against piracy, the government should reach out to the media to raise the issue's profile as another way to make the public better informed of the problem and its solutions.

¶ 5. (C) Comment: The GOS continues to pursue a strategy of deferring to the private sector to devise a mutually acceptable solution to the internet piracy problem. While the implicit threat of government intervention has been successful in getting Redtel to the table and inducing it to propose a limited & graduated response⁸ regime, rights-holders believe) and we tend to agree) that the government needs to become more directly and actively involved both in helping the parties reach agreement and in making available tools to protect digital content if Spain is to achieve results in reducing piracy. End Comment.

AGUIRRE